

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----x
In re : Chapter 11 Case No.
LEHMAN BROTHERS HOLDINGS INC., *et al.* : 08-13555 (JMP)
Debtors. : (Jointly Administered)
:-----x

**ORDER PURSUANT TO SECTION 327(e) OF
THE BANKRUPTCY CODE AUTHORIZING THE
EMPLOYMENT AND RETENTION OF KLEYR GRASSO ASSOCIES
AS SPECIAL COUNSEL, NUNC PRO TUNC TO THE ENGAGEMENT DATE**

Upon consideration of the application, dated March 2, 2010 (the “Application”),¹ of Lehman Brothers Holdings Inc. and its affiliated debtors in the above-referenced chapter 11 cases, as debtors and debtors in possession (together, the “Debtors”), pursuant to section 327(e) of title 11 of the United States Code (the “Bankruptcy Code”), Rule 2014(a) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and Rule 2014-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the Southern District of New York (the “Local Rules”), for authorization to employ and retain Kleyr Grasso Associes (“Kleyr Grasso”), a law firm incorporated and existing under Luxembourg law, as special counsel to the Debtors *nunc pro tunc* to June 1, 2009 (the “Engagement Date”), all as more fully described in the Application; and upon the Declaration of Marc Kleyr (the “Kleyr Declaration”), the managing partner at Kleyr Grasso, which was filed in support of the Application; and the Court being satisfied, based on the representations made in the Application and the Kleyr Declaration, that Kleyr Grasso represents no interest adverse to the Debtors or the Debtors’ estates with respect to the matters upon which it is to be engaged, under section 327 of

¹ Capitalized terms that are used but not defined in this Order have the meanings ascribed to them in the Application.

the Bankruptcy Code, as modified by section 1107(b) of the Bankruptcy Code, and the Court having jurisdiction to consider the Application and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334 and the Standing Order M-61 Referring to Bankruptcy Judges for the Southern District of New York Any and All Proceedings Under Title 11, dated July 10, 1984 (Ward, Acting C.J.); and consideration of the Application and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Application having been provided in accordance with the procedures set forth in the amended order entered February 13, 2009 governing case management and administrative procedures [Docket No. 2837] to (i) the United States Trustee for the Southern District of New York; (ii) the attorneys for the Official Committee of Unsecured Creditors; (iii) the Securities and Exchange Commission; (iv) the Internal Revenue Service; (v) the United States Attorney for the Southern District of New York; and (vi) Kleyr Grasso, and it appearing that no other or further notice need be provided; and the Court having found and determined that the relief sought in the Application is in the best interests of the Debtors, their estates and creditors, and all parties in interest and that the legal and factual bases set forth in the Application establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefore, it is

ORDERED that the Application is granted; and it is further

ORDERED that, in accordance with section 327(e) of the Bankruptcy Code, Rule 2014 of the Bankruptcy Rules, and Rule 2014-1 of the Local Rules, the Debtors are hereby authorized to employ and retain Kleyr Grasso as special counsel to the Debtors on the terms set forth in the Application and this order, effective *nunc pro tunc* to the Engagement Date; and it is further

ORDERED that Kleyr Grasso shall apply for compensation and reimbursement of expenses in accordance with the procedures set forth in sections 330 and 331 of the Bankruptcy Code, applicable Bankruptcy Rules, the Local Rules and orders of the Court, guidelines established by the U.S. Trustee, and such other procedures that have been or may be fixed by order of this Court, including but not limited to the Court's Third Amended Order Pursuant to Sections 105(a) and 331 of the Bankruptcy Code and Bankruptcy Rule 2016(a) Establishing Procedures for Interim Monthly Compensation and Reimbursement of Expenses of Professionals [Docket No. 4165] and the Court's Order Appointing a Fee Committee and Approving a Fee Protocol [Docket No. 3651]; and it is further

ORDERED that the Debtors are authorized to take any and all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Application; and it is further

ORDERED that this Court shall retain jurisdiction with respect to all matters arising under or related to the implementation and enforcement of this Order.

Dated: March __, 2010
New York, New York

UNITED STATES BANKRUPTCY JUDGE